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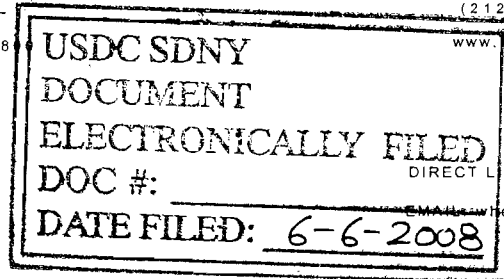
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June 5, 2008

BY HAND

The Honorable Deborah A. Batts
 United States District Judge
 Daniel Patrick Moynihan United States Courthouse
 500 Pearl Street, Room 2510
 New York, New York 10007

Re: Kobrand Corp. v. L&L SAS et al, Civil Action No. 07 CIV 8647

Dear Judge Batts:

I represent Kobrand Corporation ("Kobrand"), the Plaintiff in the above-captioned action, and write in response to the Court's Order to Show Cause dated May 23, 2008. Pursuant to the Order to Show Cause, Plaintiff must either show cause why the action should not be dismissed for failure to prosecute or move for Default Judgment against Defendants by June 23, 2008. Plaintiff respectfully requests that the Court hold this matter in abeyance for six months for the following reasons.

Plaintiff has not moved for a Default Judgment because it has been engaged in complex, multi-party international settlement negotiations that include settlement of the claims asserted in this action. Because of the number of parties, the complexity of the issues, the fact that one of the main parties in France is subject to a court-appointed receiver, and the fact that the French criminal justice and tax authorities have interests that must be accommodated, the settlement negotiations have been lengthy. However, the major terms have been agreed to. With respect to this action, the agreement will provide that, upon the closing of the settlement, plaintiff will discontinue this action without prejudice and will deliver in escrow a release of the claims subject to certain conditions.

If Plaintiff is required to move for a default judgment at this time, it may well jeopardize a settlement that has been negotiated with much difficulty over many months. On the other hand, plaintiff does not wish this action to be dismissed until the closing of the settlement.

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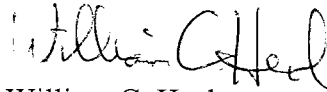
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Our best information is that the settlement agreement will be signed by the end of June and the closing could take up to three months thereafter because, among other reasons, the settlement agreement must be approved by two French courts and the Workers Council of one defendant and there are widespread business and court closures in France during August. It is also quite possible that the closing may be even later.

For these reasons, plaintiff requests that the Court hold matters in abeyance for six months. We would be pleased to inform the Court if the status of the settlement changes materially, to provide periodic updates or to answer any questions the Court may have.

Respectfully submitted,



William C. Heck

WCH:jm

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Plaintiff's application to stay this action is GRANTED. For good cause shown, all further proceedings in this matter shall be STAYED until December 8, 2008, at which point Plaintiff shall advise the Court, in writing, of the status of the case.
13/DAB 6/6/2008

SO ORDERED



DEBORAH A. BATTS
UNITED STATES DISTRICT JUDGE

6/6/2008

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